

Brussels, 14 December 2015

Dear President Juncker,

As you know, the many EU manufacturing sectors represented by AEGIS Europe have been facing tremendous pressure from dumped (and subsidised) imports from China, and we are very appreciative of the EU's efforts to deal with them. However, we are deeply concerned by recent indications that the Commission intends to propose the grant of Market Economy Status (MES) to China without having first carried out a full impact assessment.

The question is why the Commission is rushing to propose the modification of the EU anti-dumping legislation, a modification which has enormous implications for all EU manufacturing, without a full assessment of the economic, social and environmental consequences for the EU.

Indeed, apart from the fact that few believe that the Chinese WTO Accession Protocol actually requires the EU to modify its legislation to grant MES in 2016, the need for effective means to address imports spurred by massive overcapacities in China makes this question of granting China MES one of the two major trade issues of 2015-2016 for the EU (the other being TTIP).

For a legislative change which would have such far reaching consequences for EU industry and employment, we are astonished that the Commission has not already begun a full impact assessment, as appears necessary under current Better Regulation guidelines. A mere study from outside economists known for their liberal views would be seen as a weak façade which violates the Commission's own guidelines, especially given the broad impact and implications of allowing Chinese exports to enter the EU market on a large scale without effective means of defence.

Obviously, a full impact assessment may take several months. However, that should not prevent the Commission from doing the right thing, especially as there would be no negative financial consequences for the EU budget, even if no proposal is adopted by December 2016. The thought that delay may result in the EU having to pay damages should the decision be postponed is simple scaremongering.

In these circumstances, we believe the Commission will lose credibility if it rushes to adopt a proposal without first having carried out a comprehensive impact assessment.

We respectfully request that you give these aspects careful consideration and not allow a proposal to be presented to the College of Commissioners without first having a full impact assessment. The decision to grant China MES is too important for EU manufacturing, and therefore for millions of EU employees and billions in EU investments, to do otherwise.

Sincerely yours,
Ines Van Lierde, on behalf of AEGIS Europe

A handwritten signature in blue ink, appearing to read "Ines Van Lierde", with a long horizontal flourish extending to the right.



cc.: Vice-President Frans Timmermans, Vice-President Jyrki Katainen, Vice-President Federica Mogherini, Commissioner Cecilia Malmström, Commissioner Elzbieta Bienkowska, Commissioner Marianne Thyssen, Commissioner Valdis Dombrovskis

AEGIS Europe is a grouping of 30 industrial associations dedicated to ensuring that EU policymakers work towards free and fair international trade. AEGIS members are leaders in sustainable manufacturing and account for more than €500 billion in annual turnover and millions of jobs across the EU.

